

South Hayward BART/Mission Boulevard Concept Plan

Fiscal Overview

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prepared for:
City of Hayward
Redevelopment Agency



STRATEGICECONOMICS

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INTRODUCTION

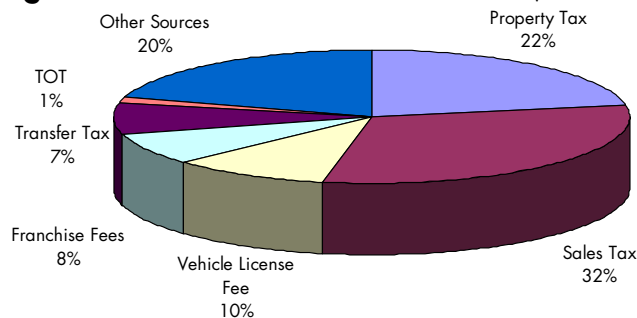
Land use and development changes in the South Hayward BART/Mission Boulevard study area will have an impact on the area's fiscal contribution to the City of Hayward. While the area is not a major contributor to the City's overall revenue, potential changes to sales and property tax, or increases in services as a result of development could have some impact on the City's overall fiscal health.

This report provides an overview of the study area's current contribution to the General Fund, and identifies major property and sales tax contributors in the study area. It also discusses how the City provides various services to the area. The purpose of this fiscal overview is to help the City and community make decisions about the future of development and reinvestment in the study area, and to provide information for later use in fiscal impact analyses of the resulting alternative concept plans.

GENERAL FUND REVENUES

Overall, more than 70 percent of the General Fund revenue is from taxes, while the remaining 30 percent is from various fees and inter-agency transfers. In the City of Hayward, property and sales tax make up more than half of all revenue in the General Fund (**Figure 1**). Over the last five years, the share of revenue from property taxes has contributed between 20 and 25 percent of the General Fund revenue, while sales tax has contributed between 30 and 35 percent. Since property and sales tax are the largest single contributors to the City budget, this report will focus on their role in the study area.

Figure 1: General Fund Revenue Breakdown, FY 2004-2005



Source: *City of Hayward Adopted Budget, 2004-2005*

The recession of 2001 and the State of California's recent budget crisis have created some uncertainty and fluctuations in critical sources of local government revenue over the past three years. While the overall breakdown of general fund revenues has remained fairly similar over time, the revenue from property tax, sales tax, and the vehicle license fee have become more difficult for the City to estimate, and have therefore fluctuated significantly based on policy changes occurring at the State level. The *City of Hayward Adopted Budget 2004-2005* discusses these changes in detail. **Table 1** shows how the current estimated budget changed from the 2003-2004 Fiscal Year.

Table 1: Change in Revenue Breakdown, 2003-04 and 2004-05 (rounded to \$000s)

<i>Revenue Source</i>	<i>2003-2004</i>	<i>2004-2005</i>	<i>Increase (Decrease)</i>
Property Tax	\$19,344,000	\$19,105,000	(\$239,000)
Sales Tax	\$25,780,000	\$26,500,000	\$720,000
Vehicle License Fee	\$6,700,000	\$8,400,000	\$1,700,000
Franchise Fees	\$5,725,000	\$6,832,000	\$1,107,000
Transfer Tax	\$4,900,000	\$6,300,000	\$1,400,000
TOT	\$1,500,000	\$1,200,000	(\$300,000)
Other Sources	\$15,762,000	\$17,402,000	\$1,640,000
Total General Fund Revenues	\$86,913,000	\$90,831,000	\$3,918,000
Total General Fund Expenditures¹	\$93,073,000	\$93,903,000	\$830,000
Net Surplus (Deficit)	(\$6,160,000)	(\$3,072,000)	\$3,088,000

Source: City of Hayward Adopted Budgets, 2003-2004 and 2004-2005

State Legislation: The “Triple Flip” and Property Tax for VLF Exchange

Local revenue from Property Tax, Sales Tax, and the Vehicle License Fee (VLF) was affected by policy changes occurring at the State level, in response to the State’s budget crisis in the two fiscal years from 2003 to 2005.

Under Proposition 57, which was approved by voters in March 2004, the State was able to take out bonds to cover the 2003-2004 State budget deficit. The process for covering bond payments is known as the “triple flip.” Payments for these bonds will be taken from sales tax revenue generally allocated to Cities. In return, the State will repay Cities with property tax dollars from ERAF, and will compensate schools for their reduced ERAF funding through the State general fund. This shift will be in place until the State has fully paid for the bonds used to balance the 2003-2004 budget.

As part of the continuing process to balance the State budget, the Governor negotiated an agreement with local governments to eliminate the State’s backfill payments for the VLF, reduce local revenue from the VLF to its collection rate of 0.65% the value of the vehicle, and compensate Cities for their loss by increasing property tax by shifting ERAF payments. Again, schools would be compensated through the State general fund. In exchange for supporting this VLF-Property Tax shift, the Governor agreed to place Proposition 1A on the ballot, limiting the extent to which the State could shift local property taxes in the future.

The above legislation and the continuing ability of the State to control revenues to local government has two major implications for the City of Hayward:

- First, fluctuations in State budget legislation make balancing the City budget unpredictable on a year-by-year basis. To account for State budget volatility, the City budget is estimated conservatively to account for potential changes in property tax, sales tax, and VLF allocation.

¹ The sum of revenue categories may not add up to total general fund revenues, because interdepartmental transfers are not accounted for among the categories. Also, numbers may not add up due to rounding.

- Second, there is an apparent trend in the current State administration to replace City sales tax and VLF revenue with property tax. If this trend continues, Cities would become increasingly reliant on property tax and might place less emphasis on the other two major sources of revenue. The exact implications of the State budget negotiations are unclear, although an emphasis on property tax could lead more cities to encourage development of land uses with a high property value. Many cities historically have emphasized increasing sales tax revenue instead, because this is a guaranteed revenue source with fewer controls than property tax.

Property Value and Property Tax Contribution

The City's property tax revenue has remained fairly constant over the last ten years, with gradual increases since the housing boom beginning in the late 1990s. The South Hayward BART/Mission Blvd. study area contributes an estimated 1.4 percent of the total property tax in the General Fund each year, or approximately \$270,000.

Top property tax contributors in the study area include attached residential units. **Table 2** shows that the average value per acre for office based land uses is over \$600,000 less than that of residential units.

The property value data used in Table 2 is based on assessor's estimates of property, and is therefore not necessarily reflecting the full market value of these parcels. This is because these property values are limited to a two percent increase each year under Proposition 13, until the property is resold, and thus revalued.

Table 2: Property Value by Land Use, Study Area 2004

<i>Land Use</i>	<i>Total Value</i>	<i>Acres</i>	<i>Value Per Acre (Privately Owned)</i>
Attached Residential	\$95,154,251	45	\$2,114,696
Office Based and Institutional	\$9,382,380	6	\$1,498,862
Retail/Restaurant/Hotel	\$38,030,851	38	\$1,002,619
Detached Residential	\$8,809,199	9	\$998,792
Auto Sales, Service, Repair	\$8,534,895	12	\$722,848
Other	\$8,829,894	20	\$437,370
Vacant	\$5,949,151	16	\$365,755
Public (Excluding Streets)	N/A	43	N/A
Total	\$174,690,621	189	\$1,196,511

Source: Alameda County Assessor's Office, MuniServices, Strategic Economics

Figure 2 shows the location of those parcels falling into the lowest quartile of property value per acre. Vacant parcels are demarcated separately. This map does not include condominiums, which tend to have low overall values but higher normalized values than other types of residential development.

When showing value per acre, sites with a significant amount of parking or other open space will appear to be of low value. In the case of many commercial uses, a low floor to area ratio is necessary to accommodate a significant amount of cheap parking. The site to the far north in Figure 2, for example, is the location of Kmart and utilizes its unimproved space for parking.

Attached Residential Units

The supportive atmosphere for transit-oriented development in the study area, combined with the strong demand for ownership housing units makes it likely that attached residential units will be a desirable housing product around the South Hayward BART. Existing attached residential units provide the

highest value per acre of any land use and thus the greatest property tax revenue to the City, given the amount of land developed.

While they provide the greatest property tax revenue per acre, the main question to be answered in the fiscal impact analysis is whether the revenue from new attached residential development covers the additional costs of serving the population. Does the proportional increase in property tax per acre, as compared to detached residential units, cover the proportional increase in City expenditures based on the additional population per acre?

Past research has shown that increased densities and infill development result in significant cost savings to local government in a variety of ways.² The linear feet of infrastructure required, such as sewage connections and roads, is greatly reduced per unit with higher densities, resulting in long-term maintenance savings. Moreover, infill development falls within existing service areas for police and fire, potentially reducing the time required for service calls and the additional infrastructure needed to serve new development. The true net fiscal impact of new attached residential development will need to be measured on a case-by-case basis in order to determine if such benefits would occur in the study area.

² There are numerous studies reporting this result. Refer to the following for a comprehensive look at the literature:

National Resources Defense Council, *Another Cost of Sprawl: The Effects of Land Use on Wastewater Utility Costs*. Washington, DC: National Resources Defense Council. Online at www.nrdc.org/cities/smartgrowth/cost/part1.asp

National Resources Defense Council, *Developments and Dollars: An Introduction to Fiscal Impact Analysis in Land Use Planning*. Washington, DC: National Resources Defense Council.

Transit Cooperative Research Program. *Costs of Sprawl 2000: Transit Cooperative Research Program Report No. 74*. Washington, DC: National Academy Press, 2002.

Online at http://gulliver.trb.org/publications/tcrp/tcrp_rpt_74-a.pdf

Source: Strategic Economics, MuniServices, County of Alameda Assessor's Office



Sales Tax Contribution

The South Hayward BART/Mission Boulevard study area captures 3.3 percent of all taxable sales in the City. Although overall, the study area does not account for a large share of the City's taxable sales, six businesses in the area ranked among the City's top 100 taxable sales contributors, and there is a concentration of sales in several business categories.

The business categories listed in **Table 3** are those that capture a greater than average share of taxable sales in the study area. Most notable is that the study area captures over one-third of the City's taxable sales in the used auto sales category, which is more than ten times the average share of Citywide sales occurring in the study area. Among all vehicle related sales and service categories, the study area captures a greater than average 6 percent of the city sales. Overall the categories showing a concentration in sales make up nearly 85 percent, or nearly \$700,000 of all taxable sales.

Table 3: Categories Showing Greater than Average Share of Sales in Study Area, 2003-2004

CATEGORY	Study Area Revenue	Citywide Revenue	Share in Study Area
VEHICLE SALES/SERVICE	\$327,419	\$5,495,000	6.0%
EATING AND DRINKING	\$119,675	\$1,932,381	6.2%
OTHER RETAIL ³	\$249,418	\$3,956,921	6.3%
TOTAL OF ALL TAXABLE SALES	\$824,172	\$25,278,883	3.3%

Source: CA State Board of Equalization, MuniServices, Strategic Economics

“Auto Row” and Its Relationship to the Study Area

Traditionally, the “Auto Row” area of Hayward is located along Mission Boulevard with its southern boundary at Harder Road. In the past, new auto sales dealers have not been successful outside of the concentrated “auto row” area. Therefore, while “Auto Row” falls just outside of the study area, its potential to expand to adjacent parcels within the study area might be an important factor in future land use decisions. This is particularly important given the concentration of other vehicle-related sales in the study area, whose business might be affected by changes to “Auto Row.”

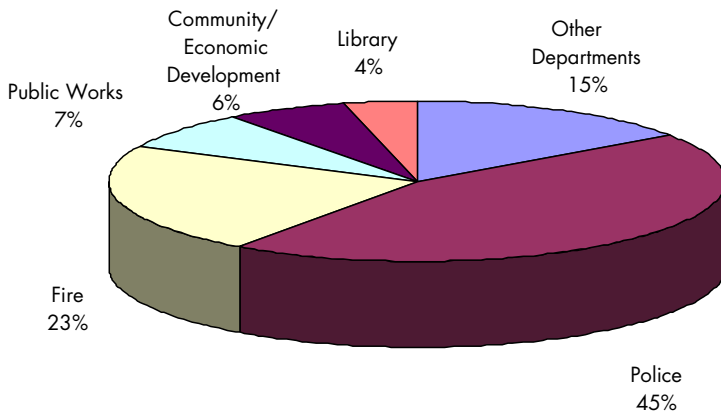
As with most business sectors, the new auto sales industry has experienced some decline over the last five years, and this decline is reflected in the taxable sales reports from Hayward's Auto Row. Between 2000 and 2004, sales have declined by over 20 percent, unadjusted for inflation. However, it appears that the bulk of this decline occurred between 2002 and 2003 when a dealer relocated to a nearby area, and that overall sales are normalizing and may grow in the near future. If sales grow, auto dealers might place pressure on adjacent areas to expand their lots.

³ “Other retail” does not include all remaining taxable sales in the study area. It includes only those categories that have a greater than average share of sales in the study area, but cannot be shown alone for purposes of confidentiality.

GENERAL FUND EXPENDITURES

Most of the revenue in the City General Fund pays for salaries and benefits of employees. Therefore, departments that are by necessity reliant on high staffing numbers make up the largest share of the total expenditures from the General Fund. This is particularly true of the police and fire departments, which make up over two-thirds of the total 2004-2005 General Fund budget (**Figure 3**).

Figure 3: General Fund Expenditure Breakdown, FY 2004-2005



Source: City of Hayward Adopted Budget, 2004-2005

According to the City of Hayward Adopted Budget for 2004-2005, the City general fund will again show lower revenues than in previous years. The City has prepared for low revenues, relative to their past expenditures, by making personnel reductions, through changes to payments in the Public Employees Retirement System (PERS), and by freezing an additional 65 City positions for a total of 83 frozen positions this fiscal year.⁴

Table 5: Change in Expenditure Breakdown, 2003-04 and 2004-05 (Rounded to \$000's)

2004-2005 Expenditure Breakdown	2003-2004	2004-2005	Increase (Decrease)
General Government	\$ 12,093,000	\$ 13,617,000	\$ 1,524,000
Police	\$ 39,041,000	\$ 39,679,000	\$ 638,000
Fire	\$ 20,614,000	\$ 20,141,000	\$ (473,000)
Public Works	\$ 6,417,000	\$ 6,668,000	\$ 251,000
Community/Economic Development	\$ 5,741,000	\$ 5,504,000	\$ (237,000)
Library	\$ 3,492,000	\$ 3,574,000	\$ 82,000
Total General Fund Expenditures⁵	\$ 93,073,000	\$ 93,903,000	\$ 830,000
Total General Fund Revenues	\$ 86,913,000	\$ 90,831,000	\$ 3,918,000
Net Surplus (Deficit)	\$ (6,160,000)	\$ (3,072,000)	\$ 3,088,000

Source: City of Hayward Adopted Budget, 2004-2005

⁴ Source: City of Hayward 2004-2005 Adopted Operating Budget, introduction letter from City Manager Jesus Armas to the Mayor and City Council, dated May 14, 2004.

⁵ The sum of expenditure categories may not add up to the total general fund expenditures, due to interdepartmental transfers.

In spite of significant reductions across many departments, the total General Fund expenditures increased from 2003-2004 to the current fiscal year. Inflation, increases in PERS costs, and salary increases cannot be entirely offset without major changes in the quality and quantity of service to Hayward residents. The City remains at a slight deficit this year as a result. However, as the previous section of this report described, sales tax revenues are again increasing and the prospect for balancing future budgets is strong.

DEPARTMENT OVERVIEWS

This section describes the current personnel and capital resources for a variety of departments in the City of Hayward. Police, Fire, and Public Works are the focus of this study because they generally incur the greatest costs from new development, depending on the type and location of proposed development. Because this report is intended to help inform later work analyzing the fiscal impacts of several alternative development concepts for the South Hayward BART/Mission Boulevard study area, this section also provides information about how this later fiscal analysis will measure the additional costs that each of these departments might incur as a result of new development in the study area.

Police Department

There are approximately 300 personnel in the police department, 188 of whom are police officers or ranking trained officers. Since the last fiscal year the police department has frozen 15 officer positions. Officers are arranged in beats, which are staffed 24 hours a day in multiple shifts.

Figure 4 shows that the South Hayward BART/Mission Boulevard study area falls into police beats “A,” “H,” and “F.” In measuring the additional costs of development on the police service, past fiscal impact analyses have estimated the number of calls for service per household. The fiscal impact analysis for study area alternatives will measure the average calls for service for all residents and employees in the City, and apply this number to the estimated residents and employees generated from new development in the study area.

Fire Department

There are 137 personnel in the fire department, with ten additional positions frozen in the current fiscal year. As of publication of the City General Plan, there were nine stations in the department’s service area, which includes the entire City of Hayward and the Fairview Fire Protection District. One station (station 9) has been frozen this year but may reopen in future years.

Figure 5 shows that fire station 7 is the closest station to the study area, located on Huntwood Avenue near Tennyson Rd. west of the BART station. The impact of future development in the study area would be measured using the same general approach described for additional police impacts; the calls for service for residential and commercial space would be averaged across the current population, and multiplied by the additional residents or commercial space of proposed development alternatives for the study area, if any.

Public Works Department

The public works department manages the construction and maintenance of major capital projects throughout the City of Hayward. In particular, the public works department focuses on the maintenance of roads, streetlights, and landscaping. The department froze 9 positions for the current fiscal year, with a total of nearly 78 personnel remaining.

While the City also manages and operates the stormwater and wastewater treatment facilities, and maintains its own water treatment and provision facilities, these operations are financed through separate enterprise funds and their services do not have a direct impact on the general fund expenditures. However, future development in the study area might require infrastructure upgrades upon the addition of

new development, and thus might experience an impact that would not be apparent in the City's general fund but is important nonetheless.

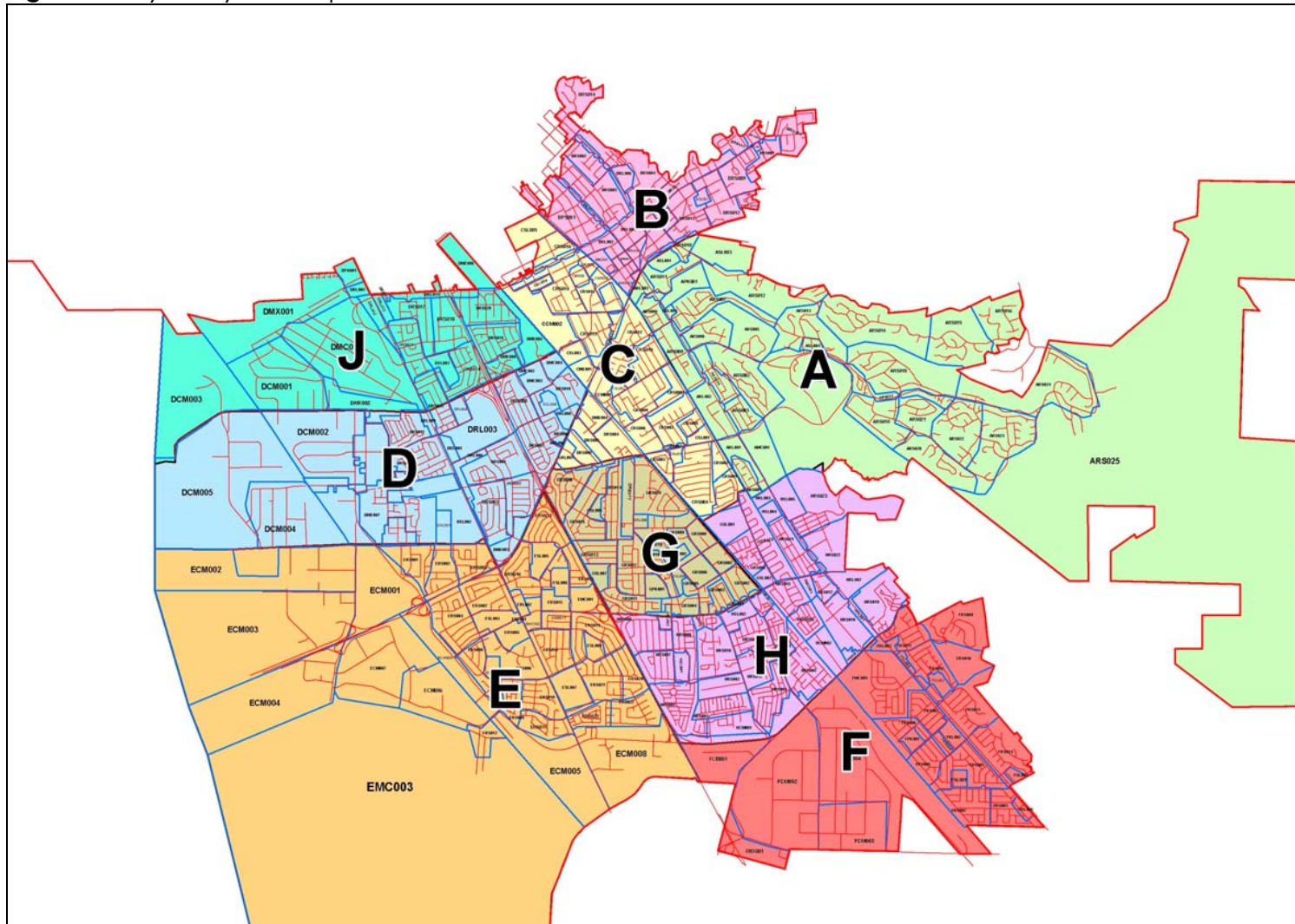
It is likely that the public works department would not incur any additional general fund costs as a result of new development proposed in the concept plan alternatives, because the alternatives may not need to add additional streets, parks, or lighting. However, the additional capital improvements of any alternative plan will be discussed with the public works department when the time comes, and additional costs would be calculated on a cost per linear foot or cost per acre basis.

Other Departments

Other City departments include administrative functions such as the Mayor and Council, City Manager's office, City Clerk, City Attorney, Human Resources and Finance and Internal Services, as well as community functions including Community and Economic Development and the Library. These remaining departments are grouped together because they will not experience a major impact as a result of new development, since they provide services to the city as a whole and not to a particular geographic area.

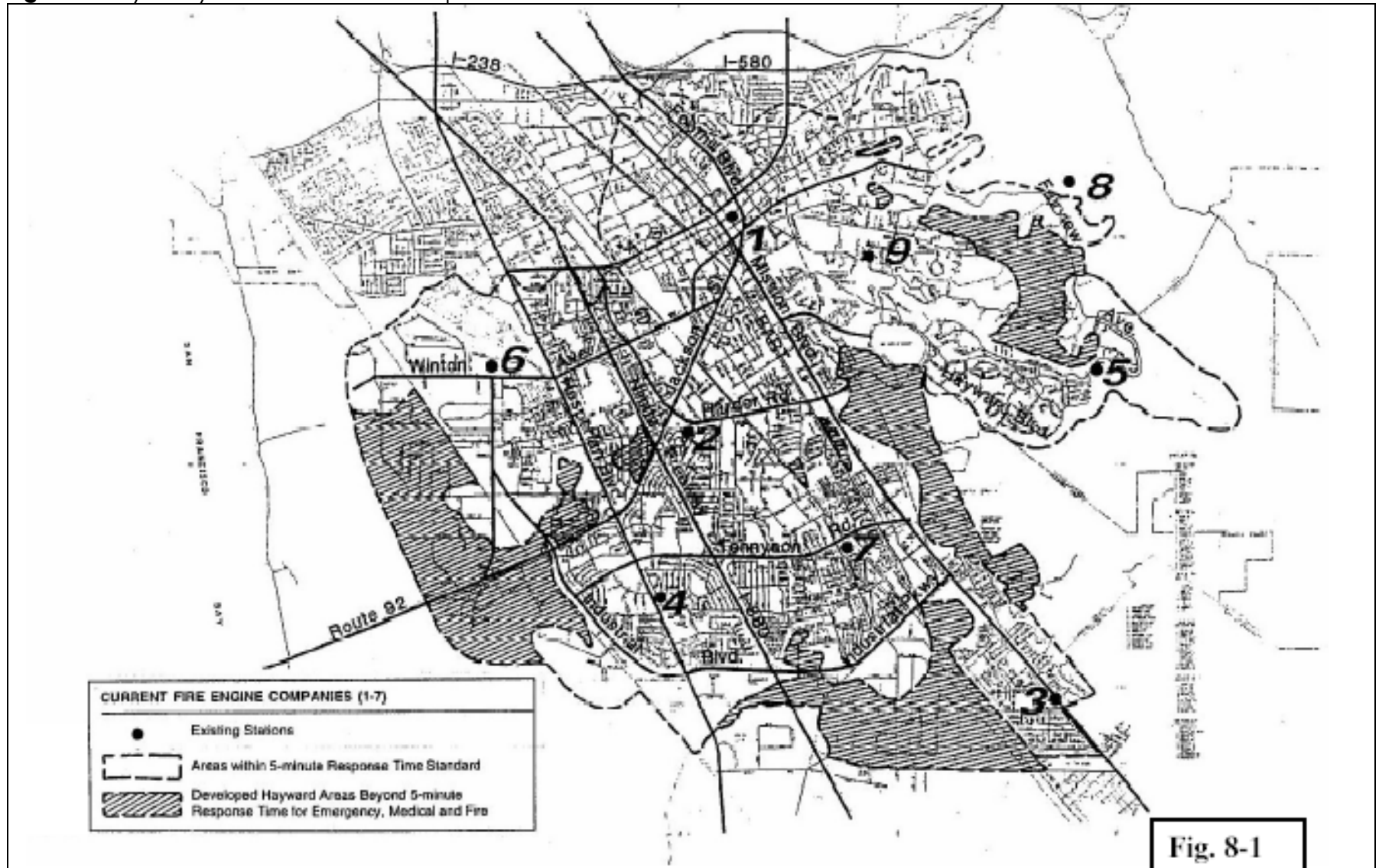
These departments tend to have a more fixed set of costs; their staffing needs and overall operations do not increase proportionally with population or employment growth. However, if the alternative concept plans propose new development, additional residents and businesses could trigger a slight increase in their service costs. This is measured by assuming that ninety percent of the budget for each department would not change with growth, and that the remaining ten percent of the budget would increase on an average per capita basis.

Figure 4: City of Hayward Map of Police Beats



Source: Excerpt from City of Hayward Police Department Website

Figure 5: City of Hayward Fire Stations and Response Areas



Source: Excerpt from *City of Hayward General Plan*, page 8-2

OTHER LOCAL DISTRICTS

Parks and Recreation District

An independent special district known as the Hayward Area Recreation and Parks District (HARD) provides parks and recreation services to Hayward and surrounding areas. Though this district is entirely independent from the City government, HARD collects impact fees from development and is a recipient of property tax. Since this study is focused on the general plan and impacts to the City, the impact on HARD is not discussed in detail. However, future impact analyses will calculate additional district revenue from in-lieu park fees generated from any additional development proposed in the alternative concept plans.

School District

The Hayward Unified School District is also independent from the City. The impact of new development on the school district is primarily determined by state policy, and will not be discussed in detail in the fiscal impact analysis. However, future impact analyses will calculate additional district revenue from school impact fees generated by new development in the alternative concept plans for the study area.

OTHER FISCAL CONSIDERATIONS

Infill Development in the Study Area

Previous fiscal impact studies have focused on the potential impact of annexations to the City of Hayward. This particular study and following fiscal impact work, however, is focused on the impacts of additional development within areas that are already developed, and served by the City's police, fire, public works, and other departments. This will be an important consideration when discussing the potential impact of new development on City departments, because infill development tends to realize significant cost savings by being located in existing service areas. For example, infill development requires fewer, if any, road extensions and wastewater pipes than standard development in non-urbanized areas, which translates into lower maintenance costs for public works. In another example, while there may be additional service calls to the fire department, the study area already exists in an area served by the City's fire stations within less than five minutes. If development occurred outside of this geography, an additional fire station or other capital improvement might be necessary to maintain the department's service standards.

Redevelopment

In 2001, the City of Hayward Redevelopment Agency amended its redevelopment project area to include the Mission/Foothill Boulevard Corridor. The study area falls entirely within this amended redevelopment area, and qualified for redevelopment because it included variety of the conditions necessary to qualify the area for redevelopment. A few of these conditions were building deterioration, commercial obsolescence, poor layout and visibility, irregularly sized and shaped parcels, lack of recent investment, lack of infrastructure, including sidewalks and property storm drainage, and lack of necessary commercial facilities such as a grocery store, drug store, or bank.

Upon inclusion of the study area in the redevelopment project area, the City and Redevelopment Agency established a tax sharing agreement wherein the City will forego its incremental growth in property tax revenue from parcels within the area through 2047, and in exchange the Redevelopment Agency is able to pass bonds that help pay for improvements to the area. The Agency pays off the debt from their bonds with the tax increment revenue.

In accordance with State law, the tax increment revenue received by the Agency over the course of the lifetime of the redevelopment area is shared with other taxing entities on an annual basis. The share of tax increment that the other taxing entities received changes over time.

Redevelopment will be a major factor in the fiscal impact analysis of concept plan alternatives. Some of the potential impacts of redevelopment are:

- *The City might experience a net deficit from new development.* Since the City will not benefit from additional property tax revenues accompanying new development, but will be responsible for providing additional services, the City may take a net loss until the redevelopment area expires.
- *The Redevelopment Agency will be able to make significant public investments in the study area.* The concept plan alternatives may require public investment in order to stimulate development and overall improvements in the condition of the study area. Public investments could range from street improvements, to low interest loans or façade improvements for buildings.

- *Without Redevelopment Funds to assist with public improvements, many property owners may have little or no incentive to reinvest in their own properties.* If improvements and new development are not occurring in the private market, redevelopment programs can stimulate new investment. Without public investment, the area could remain in a decline in the long term.
- *Areas outside of the study area might experience growing property values as a result of improvement within the study areas.* If these areas are not within the redevelopment area, increasing property taxes could offset any deficit that might occur within the area.

IMPLICATIONS FOR STUDY AREA CONCEPT PLAN DEVELOPMENT

In developing a variety of alternatives for the South Hayward BART/Mission Boulevard Concept Plan, staff, the community, and consultant team may want to take into account the following information and issues that have arisen in this fiscal overview:

The Plan should consider the fiscal implications of proposing new development for parcels that currently generate significant property or sales tax. The study area contributes only a small share of the City's general fund revenues, but several parcels within the area are major property or sales tax generators in the City. The fiscal contribution of these parcels should be a factor in selecting areas for reinvestment, although other factors may warrant greater consideration.

Higher density residential development, which is an appropriate land use for transit-oriented development, could also be encouraged from a fiscal standpoint. Higher density residential development in the study area generates significantly more property tax per acre than other types of development; however, depending on the demographics of the households, this type of development may have greater service demands, which to some extent will counteract the benefit of increased property tax revenue. For example, the greater number of people may result in increased calls for fire or police services and also increased demand for parks and recreation facilities. This is an issue that will need to be explored through future fiscal impact analysis if this type of development is proposed for sites in the study area.

Accommodating future citywide population growth in infill areas, such as the study area, will reduce service costs overall for the City. Since infill development often has lower service costs than development in fringe or outlying areas, the City might be able to reduce its long term expenditures by accommodating its expected population and employment growth in infill areas.

The fiscal analysis provides some guidance as to which parcels in the study area are good candidates for redevelopment. While property and sales tax generation should be neither the main factors nor the only factors informing the process of identifying sites for reinvestment, they provide some indication of areas needing further investment and will help evaluate the proposals that emerge in the alternative concept plans. In some cases, a proposed development might have a negative fiscal impact but still work to reduce blight by enhancing the quality of the community and stimulating future private investment, thus creating an overall positive effect. Other, non-fiscal indicators based on property tax information, such as the improvement to land value (I/L) ratio, could also provide important guidance in selecting sites for potential reinvestment. The I/L ratio is discussed further in **Appendix A**.

The chain effects of reinvestment will lead to increased tax revenues to the City. Reinvestment stimulates property values within the study area, but has much more significant impacts that could increase City revenues. For example, reinvestment in the study area could stimulate property value increases outside of the redevelopment boundaries, in the single family housing to the west of the area. Reinvestment might also increase retail sales along Mission Boulevard, leading to increased sales tax revenue for the City.

As with City departments, the impact on non-City districts such as the Hayward Area Recreation District (HARD) and the Hayward Unified School District (HUSD) will depend on the type of proposed development and the demographics of new households. For example, new larger residential units, whether rental or ownership, tend to attract households with school age children more often than smaller types of residential units. The presence of additional children also increases the potential service costs of HARD. New development in the area will also generate revenue from property tax and development fees, which is allocated to these districts. The fiscal impact analysis will not measure the costs of development for these independent districts, but will calculate the expected fee revenue from new development.

APPENDIX A: USING IMPROVEMENT TO LAND VALUE RATIO AS A MEASURE OF ECONOMIC PERFORMANCE

The improvement to land value ratio (“I/L Ratio”) is a number that is frequently used to measure the “economic performance” of real estate development. While the I/L Ratio is not considered a measure of fiscal health, it has been included because like the property tax analysis appearing in this report, it provides an indicator for informing decisions about where reinvestment should occur.

It offers a simple way to quantify the relationship between the existing use and the land by calculating the relationship between the assessed value of built improvements on any given parcel to the value of the land itself. If the value of the land is higher than the value of the improvements, the property is considered “underutilized” from an economic perspective and is more likely to experience redevelopment through private market forces than properties where improvements are more valuable than the land. While there is no fixed rule about the exact threshold I/L ratio that indicates when a property has become underutilized, in general if a property has a ratio of 1.2 or above, it is considered valuable enough to remain in its existing use. As the ratio declines, properties have an increasing potential for development.

Table A1: Improvement to Land Value Ratio by Land Use, Study Area 2004

<i>Land Use</i>	<i>Improvements</i>	<i>Land</i>	<i>I/L Ratio</i>
Office, Service, and Institutional	\$6,560,222	\$2,822,158	2.32
Attached Residential	\$65,497,118	\$29,547,022	2.22
Detached Residential	\$5,727,753	\$3,081,446	1.86
Retail/Restaurant/Hotel	\$24,337,675	\$13,693,176	1.78
Other	\$3,451,813	\$5,378,081	0.64
Auto Sales/Service/Repair	\$3,148,072	\$5,386,823	0.58
Vacant	\$0	\$5,949,151	0.00
Total Value / Average I/L Ratio	\$108,722,653	\$60,471,034	1.80

Source: CA State Board of Equalization, MuniServices, Strategic Economics

Table A1 shows that the average I/L ratio in the study area is 1.8, meaning that under this measure it appears that buildings in the study area are generally valuable enough to remain in their current use. However, individual structures within each land use may have a low enough I/L ratio to trigger new development. **Figure A1** identifies those parcels with an I/L ratio below 1.2, and those below the study area average of 1.8.

The I/L ratio cannot measure the fiscal implications of various land uses. Auto Sales/Service/Repair has a meager I/L ratio of 0.58, suggesting that these parcels are underutilized, but the bulk of these sites are likely paved over as parking area and parcels contribute a significant amount of sales tax.

It is likely that if more attached residential units were constructed as a result of the concept plan, they would have an I/L ratio greater than 2.2 due to the more up-to-date construction and the higher quality units provided as triggered by market demand.

Figure A1: South Hayward BART/Mission Blvd. Concept Study Area: Improvement to Land Value Ratio Map



Source: Strategic Economics, MuniServices, County of Alameda Assessor's Office